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Vice Chairman

Gregory Coker
Commissioner

May 16, 2006

Parties of Record

RE: Case No. 2006-00045
Informal Conference
May 10, 2006

Enclosed please find a memorandum that has been filed in the record of the above-referenced case. Any comments regarding the contents of the memorandum should be submitted to the Commission within seven days of receipt of this letter. Any questions regarding this memorandum should be directed to Mr. Aaron Greenwell of the Commission Staff at 502-564-3940, Extension 273.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

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INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Main Case File - Case Nos. 2006-00045
FROM: Aaron D. Greenwell, Division of Financial Analysis 
DATE: May 16, 2006
SUBJECT: May 10, 2006 Informal Conference

An informal conference held May 10, 2006 at the Commission's offices was attended by representatives of the following jurisdictional electric utilities:

Big Rivers Electric Corp.
Duke Energy (The Union Light, Heat and Power Co.)
East Kentucky Power Cooperative, Inc. (also on behalf of its member cooperatives)
Jackson Purchase Energy Corp.
Kenergy Corp.
Kentucky Power Co.
Kentucky Utilities Co.
Louisville Gas and Electric Co.
Meade Co. RECC

In addition, representatives of the following intervening parties were also in attendance:

Metro Human Needs Alliance
Cellnet Technology, Inc. and Hunt Technologies, Inc. (intervention pending)

An attendance list for the conference (including Commission Staff) is attached. The purpose of the conference was to clarify issues arising from the utilities' responses to data requests, to address other issues as necessary, and to discuss specific issues Commission Staff expected the utilities to address in their pending testimony. An agenda for the conference is also attached.

Staff opened the conference with a brief overview of its observations from the information received in response to the data requests. That discussion was followed by questions from the Staff, Metro Human Needs Alliance, and Cellnet Technology/Hunt Technologies. Staff then cited specific issues for the utilities to address in their upcoming testimony. Those issues are included in Item No. 6 of the attached agenda. The conference concluded with a reminder of the due dates for testimony by the utilities and intervenors.

Attachments

ADMINISTRATIVE CASE NO. 2006-00045

INFORMAL CONFERENCE - MAY 10, 2006

NAME	REPRESENTING
Anna Guenard	Ky PSC
JEFF JOHNSON	PSC
JEFF SHAW	PSC - FIN. ANALYSIS
A W Turner.	PSC - Legal
David Spainboward	Big Rivers
G. KELLY NUCKOLS	JACKSON PURCHASE ENERGY
Tyson Kamuf	Sullivan, Montjoy, Stainbeck & Miller PSC on behalf of Big Rivers, Jackson Purchase, Kenergy & Meade County, etc
BILL YEARY	BIG RIVERS ELECTRIC CORP
BILL Blackburn	"
TRAVIS HOUSLEY	BIG RIVERS ELEC
Russ Fogut	BIG RIVERS
John Newland	Kenergy
Lisa Kilhelly	Legally Metro Human Needs alliance
CHARLES LILE	EAST KY POWER COOP, INC.
Bill Bosta	" "
PAUL DOLLOFF	" "
Charles Bright	PSC
John Rogness	"

ADMINISTRATIVE CASE NO. 2006-00045

INFORMAL CONFERENCE - MAY 10, 2006

NAME	REPRESENTING
Beth O'Donnell	PSC
Bob Amato	PSC
Jim Welch	PSC
JIM LEMKE	DUKE ENERGY
Bruce Sailors	Duke Energy
Rocco DiScecco	DUKE ENERGY
Mike Gribler	Duke Energy
LARRY HUTCHSON	Kentucky Power
David Roush	Kentucky Power
LARRY FOUST	Kentucky Power
MARK R. OVERSTREET	STILES' MARSHALL for KPCo.
Ernst Wagner	Kentucky Power
Butch Cokerill	LGE / K.U.
MIKE LEAKE	LGE / KU
GREG FERLASON	LGE / KU
Howard Bush	LGE / KU
KENT BLAKE	LGE / KU
Duncan Crosby	Stall Keenan Ogden for LGE / KU

Administrative Case No. 2006-00045

Informal Conference
May 10, 2006

Agenda

1. Introduction
2. Opening Remarks by Commission Staff
Brief overview of responses – Staff observations
3. Clarification of responses to data request, other issues
Commission Staff
Intervenors
 - Metro Human Needs Association
 - Attorney General
 - PJM Interconnection
 - Kentucky Industrial Utility Customers
 - Cellnet Technology/Hunt Technologies (pending)
4. Questions by Utilities
5. Questions from other participants
6. Discussion of issues to include in testimony
 - Smart Metering/Demand Response
 - Include attachment that lists demand response tariffs and riders. Identify and briefly describe.
 - State your position on time-based pricing programs. Should the Commission adopt the time-based pricing standard in EAct 2005? Should the Commission mandate any form of time-based pricing?
 - Identify what time-based pricing programs can be implemented without smart meters? Are there different levels of smart meters?
 - Provide the number each of residential, commercial and industrial customers on demand response tariffs and an estimate of the associated load available from these customers because of demand response.
 - Of the time-based schedules set forth in EAct 2005, which would more likely result in a shift of load from peak to off peak given the circumstances in Kentucky (low rates, for example).

Interconnection

If the Commission were to establish a statewide standard, what should be included at a minimum? For example, is IEEE 1547 sufficient? What should be included as a maximum? For example, do we need more than 1547?

From the Commission Staff's perspective, EAct 2005, requires utilities to provide interconnection service to anyone that requests it but the standard really focuses on distributed generation of 10 MVA or less and requires IEEE 1547 be followed. Explain whether or not you currently comply. If not, explain what needs to be done to comply.

Is there any reasonable program that can be developed to take advantage of the generation owned open transition customers in case of a dire emergency? If yes, describe. If no, explain why not.

7. Reminder

Utility testimony is due on Thursday, May 18, 2006. Intervenor testimony is due on Tuesday, June 6, 2006.

Kentucky Power Company
Time-based Metering/Demand Response Tariff Provisions

<u>Tariff/Rider</u>	Description of Service/Provision
<u>Residential</u>	
Tariff RS	Storage water heating Load management water heating
Tariff RS-LM-TOD	Load management time-of-day
Tariff RS-TOD	Time-of-day
<u>Commercial & Industrial</u>	
Tariff SGS	Load management time-of-day
Tariff MGS (formerly Tariff G.S.)	Recreational lighting Load management time-of-day
Tariff MGS-TOD	Time-of-day
Tariff LGS	Load management time-of-day
Tariff QP	Off-peak excess billing demand
Tariff CIP-TOD	Time-of-day billing demand
Tariff IRP	Interruptible
Tariff CS-IRP	Interruptible
Rider TEC	Temporary emergency curtailable
Rider ECS	Emergency curtailable
Rider PCS	Price curtailable

* Frozen provision available only to currently served customers

Service Description

Storage/Load Management Water Heating - Available to customers who install a Company approved water heating system which consumes electrical energy during off-peak hours and stores hot water for use during on-peak hours. Customer receives reduced energy charge for fixed block of monthly kWh.

Load Management Time-of-Day Service/Provision - Available to customers who use devices with time-differentiated load characteristics that consume energy only during off-peak hours and store energy for use during on-peak hours. Customer is served under time-of-day energy charges

Time-of-Day Service - Optional tariff for customers that are capable and willing to consume electrical energy primarily during the Company's designated off-peak period to take advantage of the price differential between on-peak and off-peak energy rates

Recreational/Athletic Field Lighting Service - Available to customers for separately metered lighting of non-profit outdoor recreational facilities

Off-Peak Excess/ TOD Billing Demand - Available to customers who operate primarily during the off-peak period and request installation of time-of-day metering in order to take service under this provision. A reduced rate is applied to either all off-peak demand or excess off-peak demands.

Interruptible Service/TEC/ECS/PCS - Available to customers that are willing to reduce load upon request by the Company. Customer either receives a reduced demand charge or a payment for amounts reduced.